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State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

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Division Director

March 3, 2008

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Rohan Jackson-McGowan
Kennecott Utah Copper Corporation
P.O. Box 6001
Magna, Utah 84044-6001

Subject: Response to January 23, 2008 Proposal for Resolution on Notice of Violation (NOV), Kennecott Utah Copper Corporation (KUC), Bingham Canyon, M/035/002, Salt Lake County, Utah

Dear Mr. McGowan:

The Division has reviewed KUC's proposal for resolution dated January 23, 2008. Thank you for continuing to work with the Division on this critical matter. We believe that by submitting amendments and/or commitments as listed below to the 2003 Reclamation and Water Management Plan this NOV will be finally resolved.

♦ NOV Items 1 and 2:

Develop containment and treatment designs for the Yosemite drainage that adequately handle both the peak flow and sediment from a storm event sized appropriately for the drainage and land uses within the drainage. Deleterious materials from the dumps should not flow offsite. The storm event, designs, and the modeling must be submitted for inclusion in the 2003 Reclamation and Water Management Plan.

♦ Item 3 and 3b:

The sediment sampling plan is adequate but needs to be included as part of the 2003 Reclamation and Water Management Plan. The 2003 Plan does not contain plans to sample sediment, so the sampling plan needs to be considered as a modification to the Plan. Please submit this sampling plan together with form MR-REV giving instructions on how to include the modification in the 2003 Plan.

♦ Item 3a:

Provide evidence or documentation that all deleterious materials from the July 27, 2007 storm event has been cleaned-up, particularly from Mr. Dansie's property.

♦ Item 4:

KUC has committed to the long-term stability of the south end waste dumps. The proposed scope of work satisfies the requirements of the affirmative obligations outlined in the NOV with the knowledge that KUC will keep the Division informed and involved during the

Kennecott Utah Copper Corporation

M/035/002

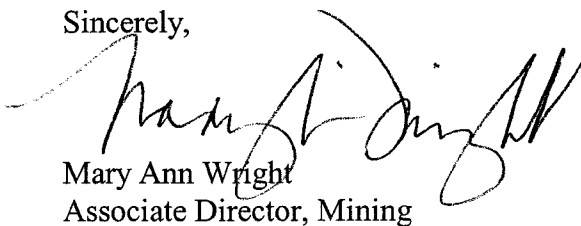
March 3, 2008

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studies. As KUC initiates this work on long-term stability for the south end waste dumps, it must be made clear that DAN-W modeling should *not* be limited to the "back analysis" of 27 July 2007 event. Instead, the "forward analysis" of all the south end dumps, including proposed 'ultimate' dump configurations and sensitivity to a range of storm events, will be needed to fulfill KUC's commitment to the 2003 Plan regarding dump stability and slide debris containment. Finally, KUC must provide a commitment to implementing any needed corrective actions at the completion of the stability study.

The Division has extended the abatement period until March 14, 2008. Please respond by then. If there are questions, or you require clarification please contact me at 538-5306 or Susan White at 538-5258.

Sincerely,



Mary Ann Wright
Associate Director, Mining

MAW:BE:pb

cc: Mr. Chris Kaiser, Kennecott Utah Copper, kaiserc@kennecott.com
Beth Ericksen
Tom Munson
Susan White

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INCOMING DATE- _____

OUTGOING DATE- 03/03/2008

FROM: Mary Ann Wright

TO: Robert Gibson - Mr. Rowan

SUBJECT: Response to Jan 23, 2008 proposal for
Resolution on (NOV) K4C, Berghem Cyn

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